



Stuart  
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13-5-4

April 25, 2013

Hon. Mary Nichols  
Chair, California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Hon. Ana J. Matosantos  
Director, California Department of Finance  
915 L Street  
Sacramento, CA 95815

RE: Draft Investment Plan for Cap-and-Trade Auction Proceeds

Dear Chairman Nichols and Director Matosantos:

As leading members of the **Sustainable Communities for All** platform, we submit these revised comments in response to the Draft Investment Plan ("draft plan") released by the California Air Resources Board (ARB) and the Department of Finance (DOF) on Tuesday, April 16, 2013.

We commend ARB, DOF and all other the State agencies involved in this effort for their hard work and commitment to eliciting broad public input and participation in the development of the draft plan. We believe the draft plan sets a strong foundation for advancing California's greenhouse gas (GHG) reduction goals, and maximizing co-benefits, including strengthening public health and economic development.

In particular, we applaud the draft plan's focus on achieving sustainable communities by investing in public transportation, affordable transit-oriented development, energy savings assistance and renewable energy for low-income residents, biking and walking, and urban forestry.

**To strengthen the plan, we respectfully urge ARB and DOF to expressly include *transit operations* as an investment priority in order to sustain and expand transit service levels and ridership.** While the draft investment plan includes funding for transit capital needs, it does not explicitly prioritize the operating funds that are needed to sustain and improve service on the street. After years of unprecedented operating budget shortfalls, transit systems throughout California are just starting to recover from years of service cuts, fare increased and employee layoffs. These hardships fell disproportionately on low-income communities that rely on transit the most for basic mobility.

Public transit service is an essential building block for sustainable communities. If transit service is unreliable or is dramatically cut then all potential riders lose faith and we increase the chance that urban

April 25, 2013

Page 2

and suburban centers will continue to get clogged with cars. When focused on specific, high-ridership corridors, transit operations and maintenance can be just as effective as transit capital expansion as a GHG reduction strategy. In fact, without adequate funding for operations, investments in transit infrastructure will be unable to meet their intended ridership goals and GHG emission-reduction objectives. As such, investments in the State Transit Assistance program and/or new operating grants are desperately needed.

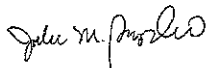
**We commend the Draft Investment Plan's focus on transit-oriented development that is affordable to lower-income households.** In order to maximize the impact of the Transit-Oriented Development Housing Program, it is important to target those funds exclusively to development of homes affordable to households that earn half or less than half of the area median income. These are the residents most likely to be displaced by rising land values around areas of transit investment and are also the people with the highest propensity to walk, bike, and use public transportation when it is available to them.

**Additionally, we emphasize the need to integrate the strategies above with urban forestry and the protection of open space to optimize GHG and other public benefits.**

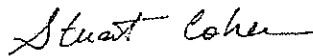
**Finally, we appreciate the administration's identification of specific agencies and programs that would be funded for Sustainable Communities Strategies implementation.** As the Legislature and Department of Finance move forward in determining precisely how funds will be distributed, we would like to emphasize that we support a competitive process for comparable projects, where appropriate, but believe that funding amounts for each program area should be predetermined based on the funding needed for each program to have a significant impact in the state as a whole.

We look forward to working with you to make the investment plan as strong as possible. Again, thank you for all of your work and for the opportunity to give this input.

Sincerely,



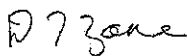
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Matt Rodriguez, CalEPA  
Arsenio Mataka, Cal/EPA  
Members of the Air Resources Board

**Supporters of the *Sustainable Communities for All* Proposal:**

**Global/National:**

Global Green  
Greenlining Institute  
National Parks Conservation Association  
National Housing Law Project  
National Housing Trust  
National Parks Conservation Association  
Prevention Institute  
Rails to Trails Conservancy  
Safe Routes to School National Partnership  
The Nature Conservancy  
The Trust for Public Land

**Statewide:**

California Association of Housing Authorities  
California Association of Local Housing Finance  
Agencies  
California Bicycle Coalition  
California Housing Partnership Corporation  
California ReLeaf  
Center for Sustainable Neighborhoods  
Housing California  
Mutual Housing California  
Planning and Conservation League  
Public Advocates Inc.  
The Nature Conservancy  
TransForm  
Unitarian Universalist Legislative Ministry  
California

**Los Angeles and Inland Empire Region:**

Breathe California of Los Angeles County  
Fixing Angelenos Stuck in Traffic (FAST)  
LAANE  
Los Angeles County Bicycle Coalition  
Many Mansions  
Move LA  
Southern California Association of NonProfit  
Housing

**LA region, cont'd**

The Transit Coalition  
The Kennedy Commission

**San Diego Region:**

City Heights Community Development Corporation  
Mid-City Community Advocacy Network  
Move San Diego  
San Diego County Bicycle Coalition  
San Diego Housing Federation  
Walk San Diego

**San Joaquin Valley Region:**

Catholic Charities Stockton Diocese  
Central California Regional Obesity Prevention  
Program  
Fresno Metro Ministries  
The Fresno Housing Authority

**Sacramento Region:**

Environmental Council of Sacramento  
Sacramento Housing Alliance  
Ubuntu Green  
Walk Sacramento

**Bay Area Region:**

Asian Pacific Environmental Network  
Bay Area Regional Health Inequities Initiative  
Bay Localize  
East Bay Housing Organizations  
First Community Housing  
Greenbelt Alliance  
Housing Leadership Council of San Mateo  
Marin Grassroots  
Napa Valley Community Housing  
Phil Ritter, CPA  
The Non-Profit Housing Association of Northern  
California  
Urban Habitat  
Walk San Francisco